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July 19, 2011

5 Counsel for Debtor

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7 UNITED STATES BANKRUPTCY COURT
8 DISTRICT OF NEVADA
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10 In Re:

Case No. BK-N-11-50615-BTB

11 TEE INVESTMENT COMPANY, a
12 Nevada Limited Partnership, dba
LAKERIDGE APARTMENTS,

Chapter 11

13 Debtor.
14

**REPLY TO OBJECTION OF SECURED
CREDITOR WBCMT 2006-C27
PLUMAS STREET, LLC TO DEBTOR'S
DISCLOSURE STATEMENT**

15 Hearing Date: July 21, 2011
16 Hearing Time: 2:00 p.m.

17 Debtor, TEE INVESTMENT COMPANY, a Nevada Limited Partnership, dba
18 LAKERIDGE APARTMENTS ("Debtor"), by and through its counsel, Alan R. Smith,
19 Esq., of the Law Office of Alan R. Smith, hereby replies to Secured Creditor WBCMT
20 2006-C27 PLUMAS STREET, LLC's ("Secured Creditor") Objection of Secured Creditor
21 WBCMT 2006-C27 Plumas Street, LLC to Debtor's Disclosure Statement [DE 53] filed
22 on July 7, 2001.

23 Secured Creditor raises four areas of objection which will be addressed below.

24 **1. Nathan Topol and other insiders.**

25 Debtor will file an amended disclosure statement which will disclose transfers that
26 may exist between insiders of the Debtor and detail such transfers. Additionally, the
27 liquidation analysis will disclose the potential for recovery from Nathan Topol on account
28 of his general partner liability. However, the Debtor has virtually no information

1 concerning the financial status of Nathan Topol, and Nathan Topol is represented by
2 Jeffrey L. Hartman, Esq. Debtor is generally advised that Nathan Topol has multiple
3 obligations, has related entities in bankruptcy, and, at least based upon information
4 available to the Debtor, has limited financial ability to pay.

5 The Secured Creditor additionally objects to the proposed plan paying Nathan
6 Topol, as a general unsecured creditor, his pro rata share of funds distributed to the
7 general unsecured creditor class. This is a plan confirmation issue which should be
8 addressed by the Court at the time of the plan confirmation hearing. It is not a disclosure
9 statement issue. The Debtor is considering modification of the plan to subordinate
10 payments to Nathan Topol, however an agreement has not yet been reached.

11 **2. The Use Agreement.**

12 The Debtor agrees that an analysis of the Use Agreement between the Debtor and
13 The Tennis Club would be helpful. Debtor's amended disclosure statement will provide
14 details of the status of the Use Agreement and will provide a copy of the agreement in its
15 amended disclosure statement.

16 **3. The Four Trucks.**

17 In its amended disclosure statement Debtor will provide details of each of the loans
18 for the four trucks, the current status of each of the loans, and the benefit of the vehicles to
19 the estate.

20 **4. Correction of errors.**

21 The Debtor will amend the incorrect references in the disclosure statement. It
22 should be noted that the amount of the Secured Creditor's deficiency claim is subject to an
23 appraisal performed by the Debtor and is Debtor's best estimate at this time. It is likely
24 that the property will be valued at the time of the confirmation hearing. Debtor agrees to

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1 include in the amended disclosure statement a statement which details the need for a
2 consenting impaired class as provided in 11 U.S.C. § 1129.

3 DATED this 19th day of July, 2011.

4 LAW OFFICES OF ALAN R. SMITH

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6 By: /s/ Alan R. Smith
ALAN R. SMITH, ESQ.
7 Attorney for Debtor
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